

Message Text

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ACTION EB-07

INFO OCT-01 EA-07 ISO-00 COME-00 STR-04 TRSE-00 LAB-04
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FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC 7143

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E.O. 11652: N/A
TAGS: ETRD
SUBJ: GSP: TPSC REVIEW OF PRODUCTS FOR ADDITION

REF: A) STATE 284894, B) STATE 286115

1. THE RTG HAS RESPONDED TO EMBASSY'S REQUEST FOR ADDITIONAL
INFORMATION REQUESTED REFTEL B, AS FOLLOWS:

QUOTE: TUNGSTEN ORE (TSUS 601.54)

A. TRENDS AND LEVELS FOR THE CURRENT AND PAST TWO YEARS OF DOMESTIC
PRODUCTION AND EXPORTS: THAILAND IS ONE OF THE LARGEST PRODUCERS
AND EXPORTERS OF TUNGSTEN ORE IN THE WORLD. IF SOVIET UNION AND THE
PEOPLE'S REPUBLIC OF CHINA ARE EXCLUDED, THAILAND IS THE LARGEST
PRODUCING COUNTRY IN ASIA AND RANKS SECOND TO THE UNITED STATES
IN EXPORTING. MAJOR IMPORTERS OF TUNGSTEN ORE FROM THAILAND IN 1975
ARE THE NETHERLANDS, WEST GERMANY, U.S.A., UNITED KINGDOM AND SWEDN:

PRODUCTION (METRIC TONS) 1974 1975 1976

WOLFRAMITE	3,790	3,085	1,721
SCHEELITE	486	336	254
TOTAL	4,276	3,421	1,975

SOURCE: MINERAL RESOURCES DEPARTMENT.
THAILAND EXPORT OF TUNGSTEN ORES (WOLFRAMITE, SCHEELITE) 1974-1976

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EXPORT (METRIC TONS 1974 1975 1976 (JAN-JUNE)

WOLFRAMITE	4,209	2,880	1,710
SCHEELITE	733	474	312
TOTAL	4,942	3,354	2,022

SOURCE: DEPARTMENT OF CUSTOMS.

THE STATISTICS ABOVE SHOW THAT THE TREND OF PRODUCTION & EXPORTS FOR THE PAST TWO YEARS ARE DECREASING BUT THERE IS A SIGN OF IMPROVEMENT THIS YEAR.

B. UTILIZATION OF DOMESTIC PRODUCTION CAPACITY AND PLANS REGARDING EXPANSION OF SUCH CAPACITY: SINCE THAILAND IS NOT YET WELL ADVANCED IN INDUSTRIALIZATION, HER PRODUCTION RELIES MOST ON FOREIGN MARKET. LOCAL CONSUMPTION REQUIRES ONLY A VERY SMALL SHARE. AT PRESENT, TUNGSTEN IS IN GREAT DEMAND IN THE WORLD MARKET. U.S. IS ONE OF THE WORLD'S LARGEST PRODUCERS AND CONSUMERS. OUR MAIN MARKETS ARE THE EUROPEAN COUNTRIES AND THE U.S. IN THE FUTURE, IF THE PRODUCTION IS INCREASED, IT IS BELIEVED THAT ALL WILL BE FOR EXPORT.

C. IF NO CURRENT DOMESTIC PRODUCTION, ANTICIPATED START-UP DATE AND ANTICIPATED CAPACITY: THE PRODUCTION LEVEL OF TUNGSTEN IN THAILAND IS RATHER STABLE, BUT EFFORT HAS BEEN MADE TO INCREASE HER PRODUCTION IN ORDER TO MEET WITH THE DEMAND IN THE WORLD MARKET. DURING THE PAST 4-5 YEARS, PRODUCTION HAS TREMENDOUSLY INCREASED, WHICH MADE THAILAND BECOME ONE OF THE WORLD'S LARGEST PRODUCERS DUE TO THE FACT THAT BIG MINES OF SCHEELITE ORE (CAWO₄) HAVE BEEN FOUND AT CHIENGRAI PROVINCE AND FERBERITE ORE (FE WO₄) AT NAKORNSRITUMMARAT PROVINCE. IT WAS FORECASTED THAT THE PRODUCTION WILL BE BETTER BECAUSE THE GOVERNMENT HAS TAKEN ACTIVE PART IN ASSISTING THEIR OWNERS.

FORECAST OF EXPORT 1976-1980:

EXPORT (METRIC TONS)	1976	1977	1978	1979	1980
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WOLFRAMITE	3,300	3,300	3,000	3,000	3,000
SCHEELITE	600	500	400	400	400
TOTAL	3,900	3,800	3,400	3,400	3,400

SOURCE: MINERAL RESOURCES DEPARTMENT.
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D. PERCENTAGE OF SUCH EXPORTS ARE OF TOTAL THAI EXPORTS AND CONTRIBUTION OF SUCH EXPORTS MAKE THE BALANCE OF TRADE: IT IS OBVIOUS THAT TUNGSTEN ORE IS ONE OF THE MAIN SOURCES OF INCOME IN THAILAND. THE SIGNIFICANCE OF TUNGSTEN ORES IN THAILAND'S ECONOMY IS AS SHOWN BELOW:

TUNGSTEN ORES: QUANTITY (METRIC TONS) VALUE (MILLION BAHT)

YEAR	1974	1975	1976 (JAN-JULY)	
TOTAL EXPORT VALUE	50,325	48,438	36,568	
EXPORT VALUE-TUNGSTEN ORE	466.8	380.4	283.3	
VALUE OF EXPORT IN PERCENTAGE				
TO TOTAL	0.93	0.79	0.77	
EXPORT TO U.S.: QUANTITY	1,063,477	592,680	425,227	
VALUE	105.41	64.17	44.01	

EXPORT TO US IN PERCENTAGE
 TO TOTAL VALUE 0.21 0.13 0.12
 SOURCE: DEPARTMENT OF CUSTOMS.

IN 1976 (JAN-AUG), THAILAND HAS A DEFICIT BALANCE OF TRADE WITH OTHER COUNTRIES OF ABOUT 194 MILLION U.S. DOLLARS. IF THE UNITED STATES GRANTS GSP TO THE TUNGSTEN ORE, IT WOULD BE A GREAT INCENTIVE TO THAILAND, A TUNGSTEN PRODUCING COUNTRY, TO INCREASE THEIR PRODUCTION TO A GREATER EXTENT AND WOULD, THEREFORE, HELP TO ACQUIRE MORE FAVORABLE TRADE BALANCE.

E. IMPORTANCE OF EXPORTS OF ABOVE PRODUCTS TO THAILAND'S ECONOMIC DEVELOPMENT: TUNGSTEN IS A VERY IMPORTANT MINERAL AS FAR AS THAILAND'S ECONOMY IS CONCERNED. THE REVENUE FROM ITS ANNUAL EXPORTS FOR MINERALS IS SECOND TO TIN. A LARGE INCREASE OF EXPORTS OF TUNGSTEN WILL BE OF GREAT HELP TO THAILAND'S ECONOMIC DEVELOPMENT BY WHICH THE FOLLOWING GAINS CAN BE EXPECTED:

1. INCREASE OF PRODUCERS' INCOME,

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2. INCREASE OF EXPORTERS' INCOME,
3. INCREASE OF THE LEVEL OF DOMESTIC EMPLOYMENT AS WELL AS THE MORE DISTRIBUTION OF INCOME TO THE RURAL AREA,
4. INCREASE OF REVENUE FROM ROYALTY OF MINERAL FOR THE GOVERNMENT,
5. ASSIST IN THE ECONOMIC DEVELOPMENT OF THE COUNTRY AS A WHOLE.

NUMBER OF ACTIVE MINES AND EMPLOYMENT OF TUNGSTEN ORE -1974-1976:

YEAR	1974	1975	1976
	DEC JUNE	DEC MARCH	APR MAY JUNE AUG

ACTIVE MINES:

WOLFRAMITE	15	16	16	14	15	14	16	16
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SCHEELITE 2 2 1 1 1 1 1 1

EMPLOYMENT:

WOLFRMAITE 499 602 546 470 531 412 631 674

SCHEELITE 173 109 58 54 54 54 53 50

IN CONCLUSION, TUNGSTEN IS ONE OF THE PRINCIPAL EXPORTS OF THAILAND AND THE USA IS BY FAR AN IMPORTANT MARKET FOR THIS MINERAL. IF THE USG GRANTS GSP TO THIS PRODUCT, IT WOULD BE A GREAT BENEFIT TO BOTH COUNTRIES. IT IS WITH THE HOPE THAT SUCH MATTER WILL BE GIVEN DUE CONSIDERATION BY THE USG.

2. OTHER MARINE ANIMAL OILS (TSUS 177.40):

THAILAND'S EXPORT OF THIS ITEM IS NOT SO SIGNIFICANT AT PRESENT. THESE PRODUCTS ARE MOSTLY IN THE FORM OF OIL CONCENTRATED FROM SHRIMPS, CRABS AND CLAMS. HER PRODUCTION HAS GRADUALLY EXPANDED, WITH A HIGH POTENTIAL OF BEING ONE OF THE MAJOR EXPORTS IN THE NEAR FUTURE. IF THESE PRODUCTS ARE INCLUDED IN THE US GSP LIST, IT WILL, NO DOUBT, SPEED UP THE GROWTH OF THIS FISHERY INDUSTRY. END QUOTE.

3. EMBASSY IS POUCHING ORIGINAL TO THE DEPARTMENT ON WEDNESDAY, DEC 15.

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WHITEHOUSE

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Message Attributes

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